(b) whether the Asian consumers of West Asian crude are paying an extra of Dollar 2.00 per barrel over the last ten years and whether India has paid more than half a billion dollars on this account; and

- (c) whether India will organize Asian oil importers to jointly prevail on OPEC for price parity on crude supplied to Asian nations with that of Europe and US?

THE MINISTER OF PETROLEUM AND NATURAL GAS AND PANCHAYATI RAJ (SHRI MANISHANKAR AIYAR): (a) to (c) The National Oil Companies (NOCs) of some countries in West Asia have different pricing formula for their sale of crude oil to different regions in the world such as North America, Europe and Asia Pacific. As per market practice the pricing formula is linked to the marker/bench mark crude oil relevant for each region, *viz.,* West Texas Intermediate Crude Oil for North America, Brent Crude Oil for Europe and Oman and Dubai Crude Oils for Asian customers. Based on the pricing formula, the price paid by Asian customers is sometimes higher and sometimes lower than that of US and European customers.

The Government is not involved in contract negotiations with West Asian Government for the import of crude oil. However, owing to high oil prices and their ramifications for developing economies, attempts have been made to redress the issue of high prices by raising these issues in relevant international forums as well as during bilateral meetings with West Asian exporting countries.

The principal Asian suppliers and purchasers of oil have been invited to a meeting being convened in New Delhi on the 6th January, 2005 jointly by India, Kuwait and the International Energy Forum.

Losses due to non-revision of oil prices

1270. SHRIMATI S.G. INDIRA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that the Oil Companies would have suffered losses upto Rs. 20,000 crores in case prices of petroleum products were not revised;

(b) if so, the details thereof;

(c) whether it is also a fact that in the first six months of the current fiscal, the oil companies have had to bear Rs. 10,000 crores of under recoveries as a result of the non-revision of prices; and

(d) if so, the details thereof?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) to (d) Owing to non-revision in domestic consumer prices in line with international prices of PDS Kerosene, Domestic LPG, diesel and petrol during the first half of the current fiscal year, April-September 2004, Oil Marketing Companies estimate their under-recoveries at around Rs. 9800 crore.

Amplification of Rule 43

1271. SHRI LEKHRAJ BACHANI: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government are examining a suggestion to amplify Rule 43 of Petroleum Rules, 2002 to cover shopbreaking activities; and

(b) if so, the details thereof?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) and (b) Yes, Sir. Government have received a suggestion from the Government of Gujarat to amend Rule 43 of the Petroleum Rules, 2002 to include shipbreaking activities so that inspection of ships after beaching is done by the Explosives Department. No decision has been taken as yet.

Decline in IOC's profit

1272. SHRIMATI N.P. DURGA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that despite increase in sales, the net profit of the IOC has come down by 31.3 per cent during the second quarter ending 30 September, 2004; and

(b) if so, what are the reasons attributable for this fall in profit?